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DEPARTMENT OF DEFENSE

DRAFT WORKING PAPERS Iraq Status

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Highlights

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CPA Priorities:

- Governance
- Essential Services
- Economy
- Security
- Strategic Communication

CPA Intermediate Objectives:

- Support transition to sovereignty
- Develop framework and capacity for elections
- Pursue National Strategy for Human Resources
- Reconstitute Oil Infrastructure
- Improve Water Resource

Management

Weekly Highlights:

- Iraqi national soccer team qualifies for the 2004 Summer Olympics
- Four Iraqi ministries officially transferred to Iraqi control last week
- Nomination process for commissioners of the Independent Election Commission concluded on 16 May
- Estimated crude oil export revenue is over \$5.7 billion for 2004
- Estimated that nearly 425,000 jobs have been created for Iraqis



Governance

- UN Special Representative Lakhdar Brahimi has returned to Iraq and is consulting with a broad spectrum of the Iraqi people and the Iraqi Governing Council (IGC) on the political transition
- Nomination process for commissioners of the Independent Election Commission (IEC) concluded on 16 May
 - Nominations will be vetted by the UN and candidates will be selected for interview
- Inspectors General (IGs) have been appointed for all 26 Ministries and are holding weekly meetings
 - The IGs have already recommended cases for criminal prosecution, reflecting the impact the IG system is having on corrupt practices
- Four Ministries transferred to full Iraqi control last week, including:

CPA Objective: Governance:

- Industry and Minerals, Water Resources, Foreign Affairs, Support Planning and Development, Develop Civic Participation in Governance; Develop Framework and Capacity for Elections; Promote Respect for Human Rights; Promote Durable Solutions for Refugees and Internally Displaced Persons (IDPs)



Governance (Cont.) - National

Transition





Strategic Communication

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- **CPA provided a grant to the Kurdistan Women's Union (KWU) to conduct mobile outreach activities in rural communities of the Arbil Governorate**
 - **Project targets isolated, vulnerable societies that suffered a great deal of poverty, ignorance, and abuse under the former regime**
- **Since Jan 04, USAID's Democracy Development Activities (DDA) program has organized over 7,000 sessions in Iraq**
 - **has stimulated civic participation and increased Iraqis' understanding of the Transitional Administrative Law (TAL) and basic democratic principles**
 - **led by more than 500 Iraqi facilitators**
- **Other activities continue in support of political transition and the Transitional Administrative Law (TAL) including:**
 - **Distribution of booklets and leaflets on the TAL**



Essential Services - Water and Sanitation

- Completed rehabilitation of three additional water treatment plants in Qadisiyah Governorate and one ground storage tank in Karbala in April
 - Benefits more than 200,000 people
- Planning for rehabilitation of water treatment plants in Al Hillah and Anbar and Diyala' Governorates is underway
 - Rehabilitation of these plants will benefit more than 1 million people
- Ambassador Bremer announced an aggressive program to clear up to 20,000km of waterways to improve water flow and irrigation
 - Program will employ approximately 100,000 of Iraq's unskilled workers

CPA Water Objective: Provide Water Supply, Sewerage & Municipal Services; Improve Water Resource Management

Create viable organization to deliver water/sewerage/municipal services (WSMS); Expand WSMS to meet national needs; Develop full range of municipal services & inclusive delivery mechanism; Infrastructure improvements to water resource system; Facilities improvements & capacity building within Ministry

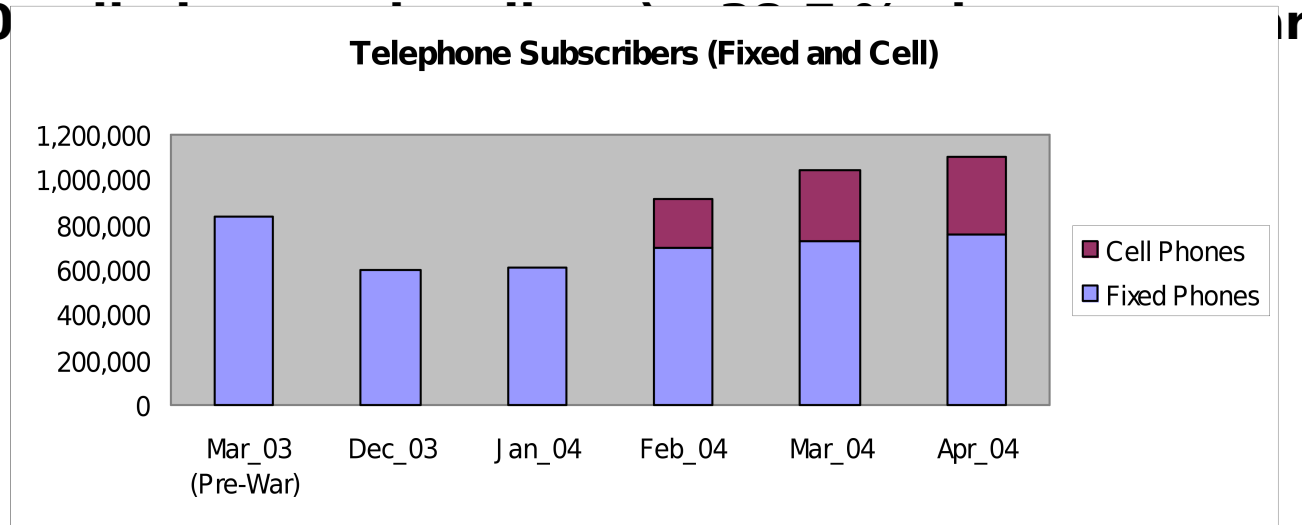


Essential Services -

Telecommunications

- Total number of telephone subscribers in Iraq is now over 1,155,000 (inc. 389,000)

- Chart shows trend in number of telephone subscribers



- The State Owned Internet Company has over 43,000 subscribers in Baghdad and 11,000-12,000 new subscribers

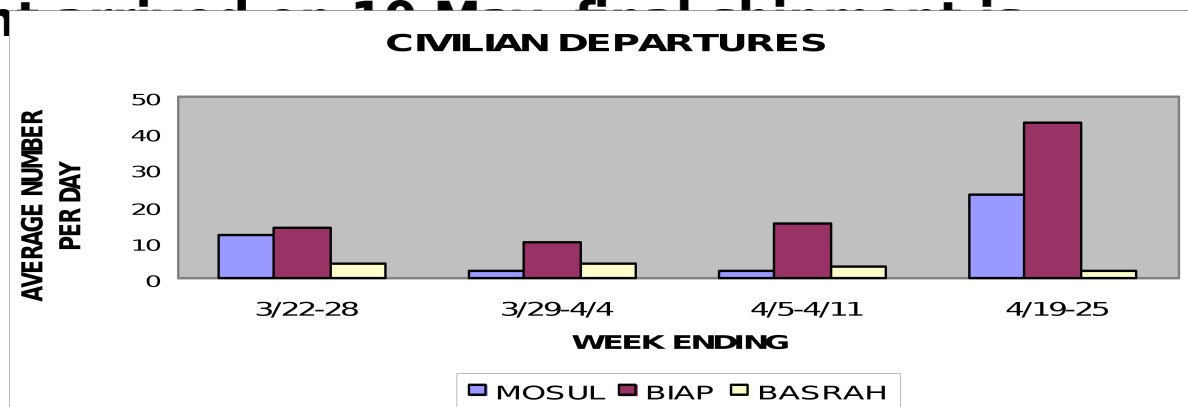
CPA Objectives: Reconstruct Communications & Postal Systems

Build Iraq's first responder network • Establish independent regulatory agency • Upgrade Iraqi Telephone and Postal Company (ITPC) network • Build transmission component data network for Iraq, inc. international gateways • Restructure ITPC and its business operations • Upgrade and modernize postal systems • Upgrade ITPC outside plant for increased subscriber capacity and use

Essential Services - Transportation

- **USAID announced the re-opening of the four-lane Khazir Bridge over the Greater Zab River between Mosul and Arbil**
 - Bridge is critical for movement of fuel and agricultural products in northern Iraq
- **The Korean International Cooperation Agency is donating 23 inter-city buses, 50 intra-city buses, and appropriate spare parts**

- Second shipment of 10 M-119 aircraft
- **Chart shows number of civilian aircraft departures from Iraqi airports**



CPA Objectives: Restore Economically Strategic Transportation Infrastructure

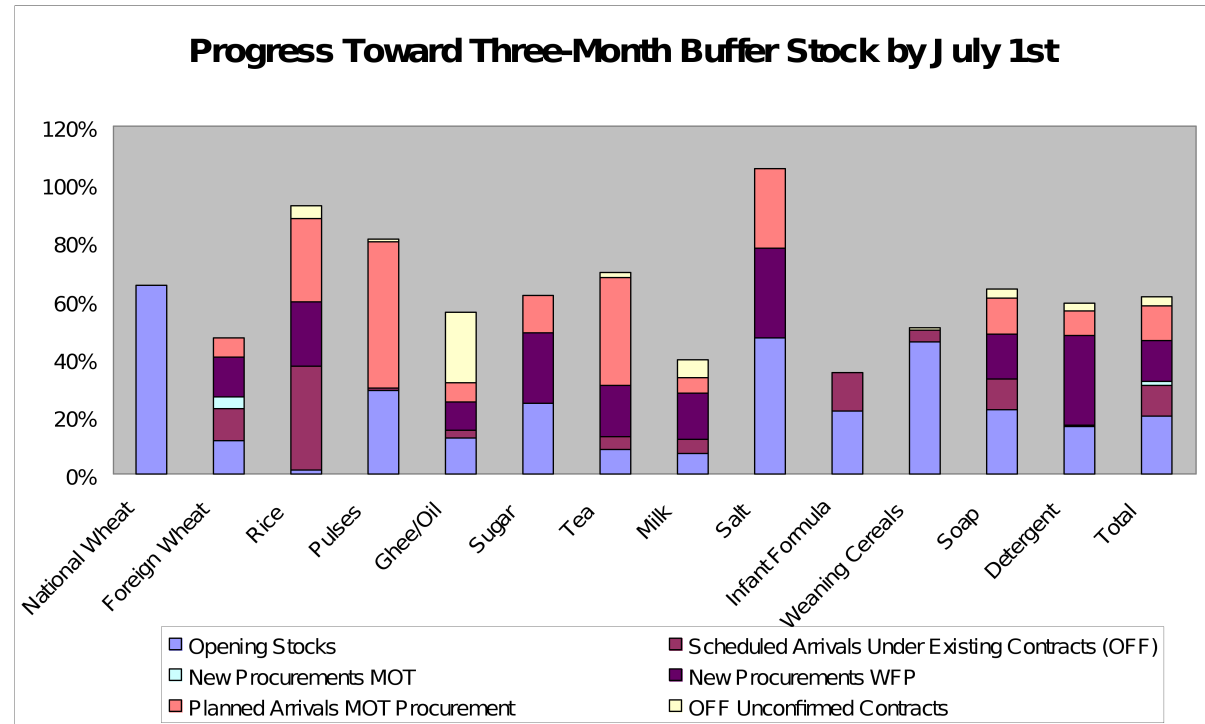
Enable Iraqi civil aviation to prepare for international commercial aviation and cargo service • Enable Iraqi Port Authority to administer a port of call with intermodal capabilities and inland container distribution • Enable Iraqi Republic Railways to provide domestic and international passenger and freight capabilities • Reform civil service



Essential Services - Food Security



- Chart below shows % of estimated requirements for Public Distribution System (PDS) goods from Apr- 01Jul
- Requirement includes stocks sufficient for the period and a three month buffer for 01 Jul
- While substantial additional shipments of most goods have been procured, they are not shown as these shipments will arrive after 01 Jul



CPA Food Security Objective: Provide Food Security for all Iraqis

Enhance capacity of Ministry of Agriculture • Assure supply of inputs • Strengthen research system • Ensure adequate stocks for Public Distribution System (PDS) • Monitor food security • Hand over administration of system in the North • Initiate reform of rations baskets • Environmental Initiatives



Essential Services - Food Security

(cont)

- **Ministry of Trade (MOT) recently concluded the procurement of 200,000 metric tons of wheat under their first procurement cycle**
 - **CPA continues to work closely with the MOT on building capacity ahead of the handover**
- **Delivery of large quantities of rice in the coming month will address the temporary shortage previously reported and build buffer stocks**



Essential Services - Health Care

- Emergency medical supplies were delivered to Fallujah, Ramadi, An Najaf, Karbala', and Baghdad's Sadr City to ensure the health of citizens in conflicted areas
- Over 5 million children have been immunized for Measles, Mumps, and Rubella through the work of the Ministry of Health, UNICEF and WHO
- Completed rehabilitation of Al Qadisiyah Hospital in Baghdad's Sadr City, which had been poorly maintained and had few supplies
 - The fourth health facility in Sadr City improved by local community members in collaboration with USAID
- Ministry of Health (MoH) 24 hour Operations Center continues to respond to the fluctuating situation in the country
 - Also preparing to address medical issues arising from displaced persons

CPA Health Objective: Improve Quality and Access to Health Care

Develop health care organizations, management, & infrastructure;
Train health care professionals; Pharmaceuticals logistic support;
Secure system; Public health



Essential Services - Education

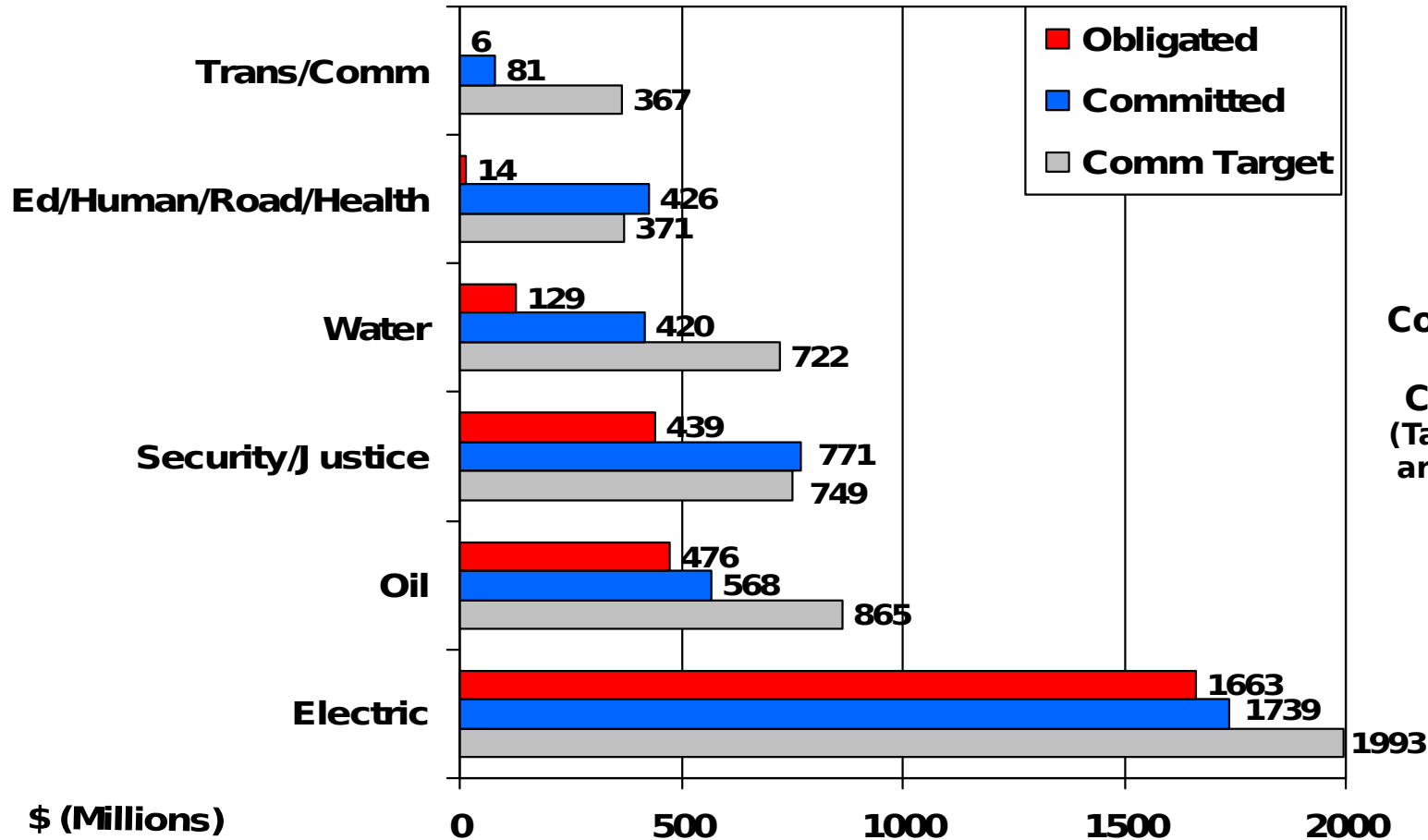
- Efforts are underway to expedite the review of appeals from teachers dismissed under de-Ba'athification process and implement decisions made by local appeals committees
 - This will allow thousands of teachers to return to work and thousands more to receive pensions
 - Appeals not yet heard will be adjudicated within the next few weeks
- The Accelerated Learning Program conducted year-end examinations last week for 600 students and results should be available 30 May
 - Program seeks to reintegrate Iraqi children into the main schools system who were obliged to quit school prior to 2003

CPA Education Objective: Improve Quality and Access to Education

- Reorganize and staff the Ministry of Education;
- Rehabilitate school buildings and build new schools
- Advance national dialog on curriculum reform
- Continue and expand teacher training



Program Management Office (PMO)

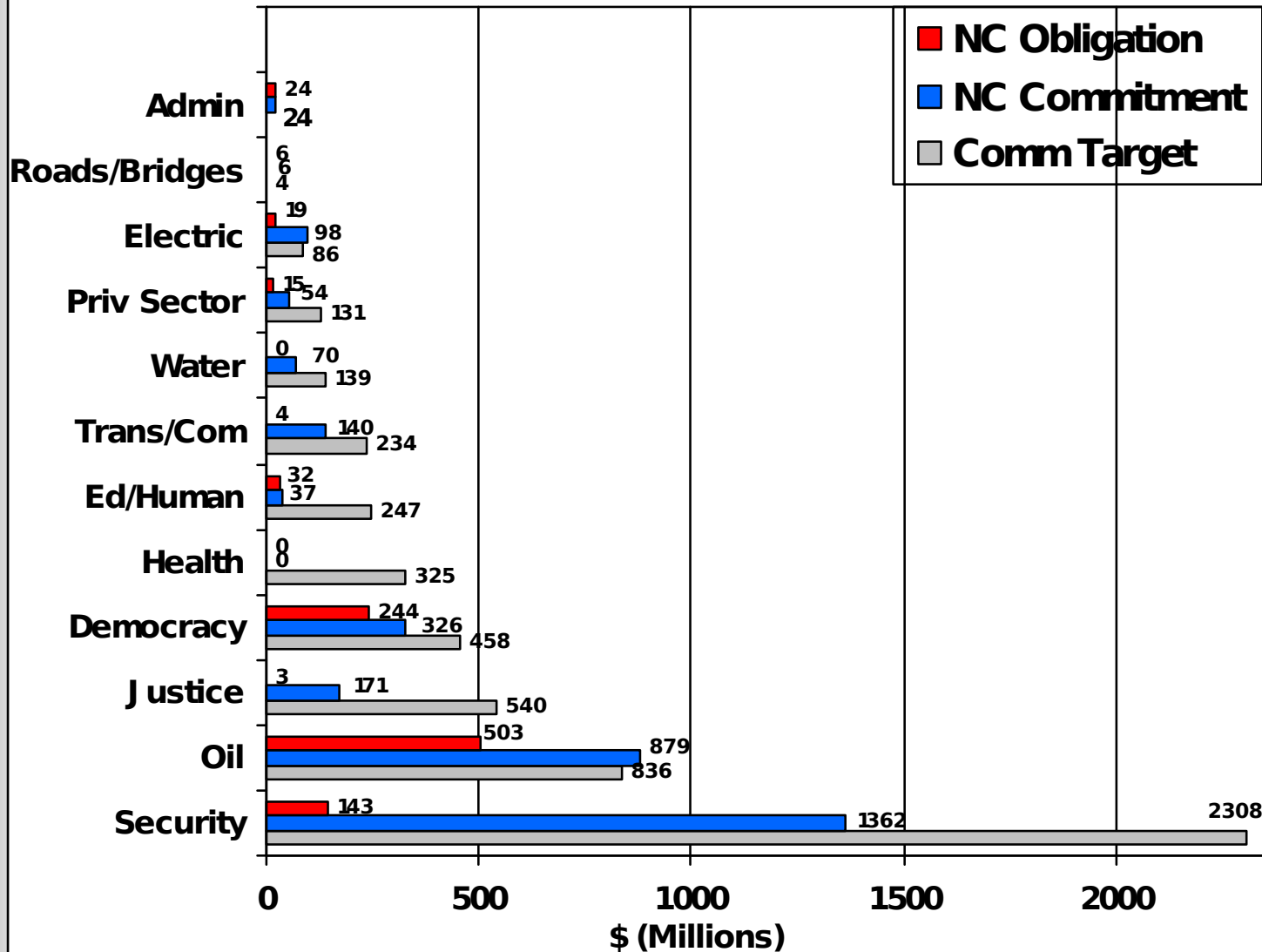


PMO Web-site
Portal:
www.rebuilding-iraq.net

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Program Management Office (PMO) (cont)



**Non-
Construction
Procurement**
(Target figures
are for 01 Jul)

Data as of 13 May

Program Management Office (PMO)



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| Sector | 2207 Report | Apportioned \$M | Committed \$M | Obligated \$M |
|--|---------------|-----------------|---------------|---------------|
| Security and Law Enforcement | 3,243 | 2,976 | 1,949 | 467 |
| Electricity Sector | 5,539 | 2,538 | 1,837 | 1,682 |
| Oil Infrastructure | 1,701 | 1,701 | 1,447 | 979 |
| Justice, Public Safety, and Civil Society (less Democracy) | 1,038 | 825 | 354 | 118 |
| Democracy | 451 | 451 | 326 | 244 |
| Education, Refugees, Human Rights, Governance | 259 | 259 | 37 | 32 |
| Roads, Bridges, and Construction | 370 | 270 | 213 | 20 |
| Health Care | 793 | 512 | 214 | 0 |
| Transportation and Telecommunications | 500 | 467 | 221 | 10 |
| Water Resources and Sanitation | 4,148 | 816 | 490 | 129 |
| Private Sector Development | 184 | 136 | 54 | 15 |
| Admin Expense (USAID, CPA Successor) | 213 | 29 | 24 | 24 |
| TOTAL | 18,439 | 10,980 | 7,166 | 3,720 |
| CONSTRUCTION | 12,406 | 5,740 | 4,005 | 2,727 |
| NON-CONSTRUCTION | 5,582 | 4,789 | 2,835 | 749 |
| DEMOCRACY | 451 | 451 | 326 | 244 |

N/P



Economy

- On 14 May, estimated crude oil export revenue was over \$5.7B for 2004
 - Exports dropped significantly last week due to sabotage
- As of 06 May, the balance in the Development Fund for Iraq (DFI) was \$10.2B (\$4.8B is already committed, and \$5.5B is slated for projected 2004 budget items)
- The Trade Bank of Iraq has issued 202 letters of credit, totaling \$778.7M, covering imports from 32 countries
- The New Iraqi Dinar was at 1,460 dinars per dollar on 06 May, and has been relatively stable for nearly three months
- Micro-credit loans now total almost \$5 million, with 2,500 clients
 - Provides credit to financially viable micro and small businesses to stimulate private sector growth and create employment
- Employment figures not provided for past two weeks as

CPA Economic Objectives:

Build Financial Market Structures; Develop Transparent Budgeting And Accounting Arrangements; Private Sector Initiatives; Design Oil Trust Fund; Lay Foundations For An Open Economy; Pursue National Strategy For Human Resources Development



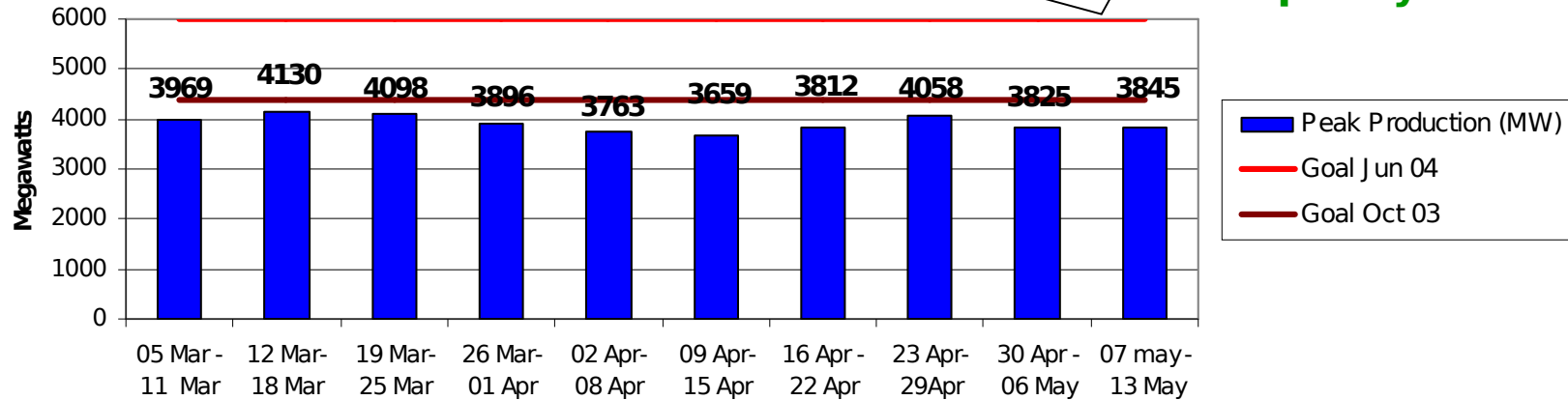
Economy (cont')

- **The five percent reconstruction levy initiated April 15 collected \$2.7 million in its first 15 days of implementation**
 - **Applies to goods entering the country other than those specifically for relief and reconstruction**
- **CPA and USAID assisting Ministry of Finance's Tax Commission with implementation and public education for the new wage withholding tax**
- **Creation of the new Iraq Stock Exchange is progressing with training for employees of the exchange and renovations nearing completion**
- **Ambassador Bremer signed CPA Order 83, the Amendment to the Copyright Law**
 - **The Order modernizes existing Iraqi Copyright Law**
 - **Brings the current Iraqi Copyright Law into accordance with internationally-recognized standards of protection**



Electricity Overview

**Goal 01 June 04: 6,000 MW
Peak Deliverable
Generation Capacity**

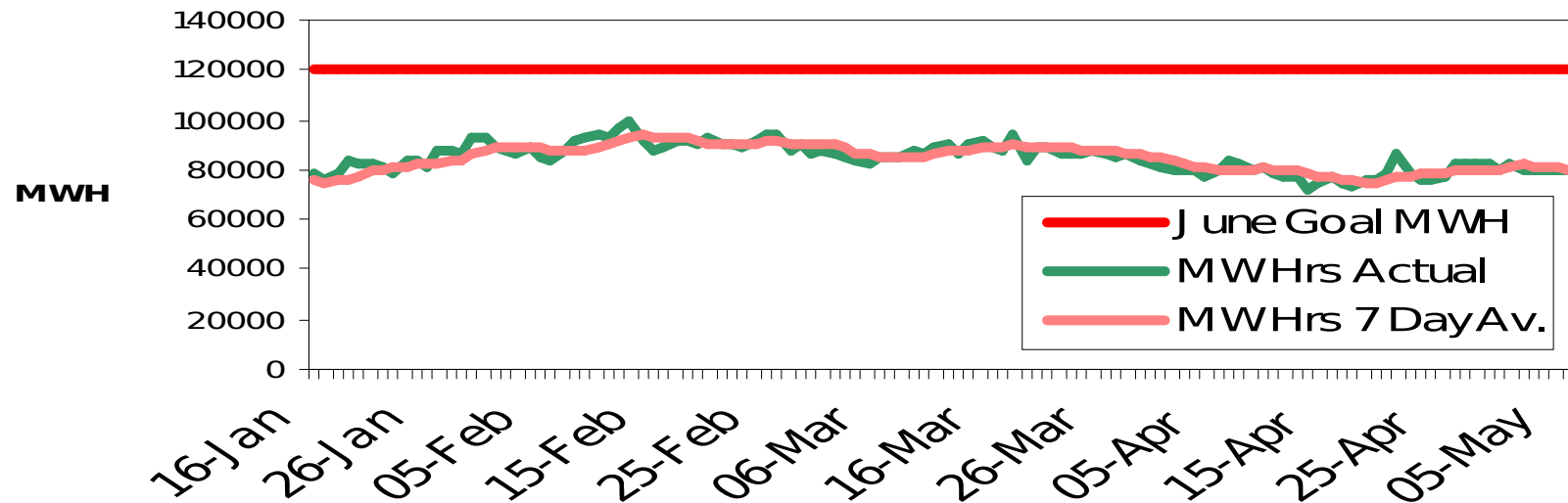


- (U) Ambassador Bremer approved an increase plan in Jan to reach 6,000 MW of peak deliverable capacity and 120,000 MWH of daily production by 01 Jun
- (U) CPA spring maintenance program continues resulting in about 1,298 MW of generation capacity currently offline for scheduled and 573 MW for unscheduled maintenance

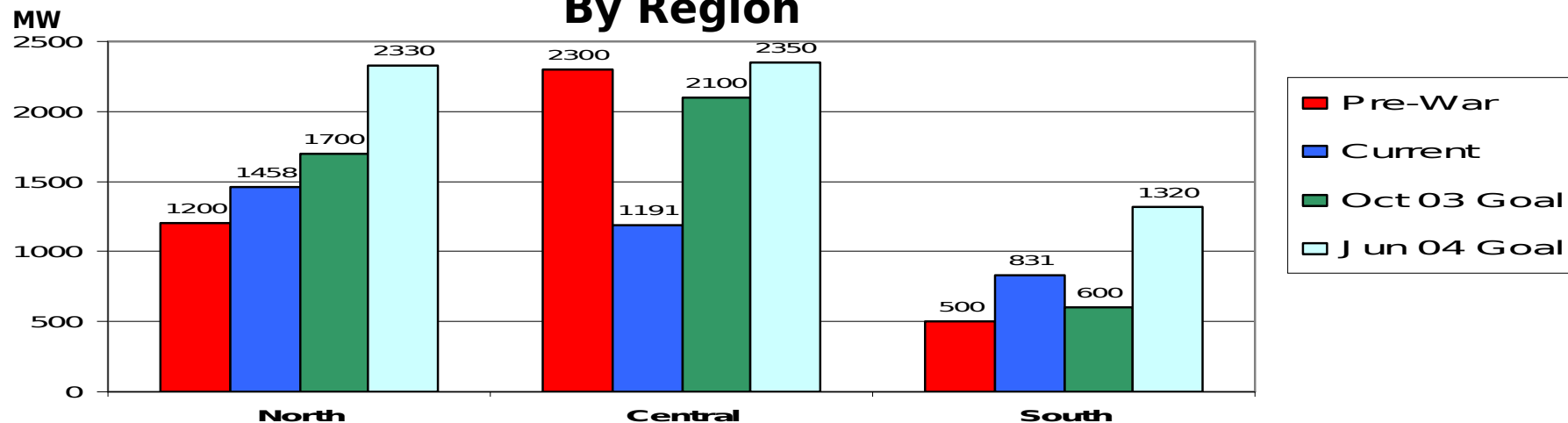
Power Production



Mega Watt Hour Production



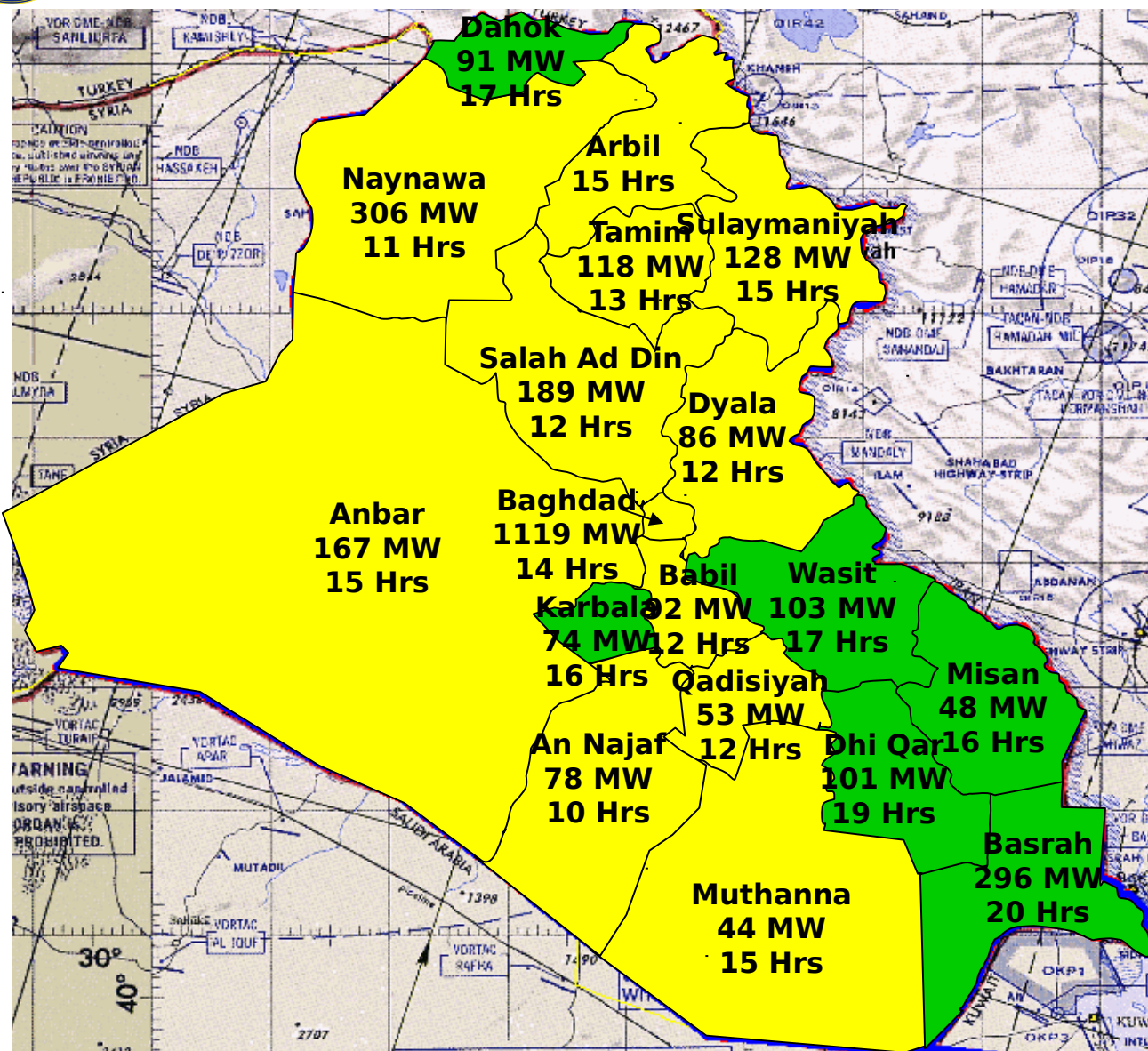
By Region



Hours of Power - Week of 06 May



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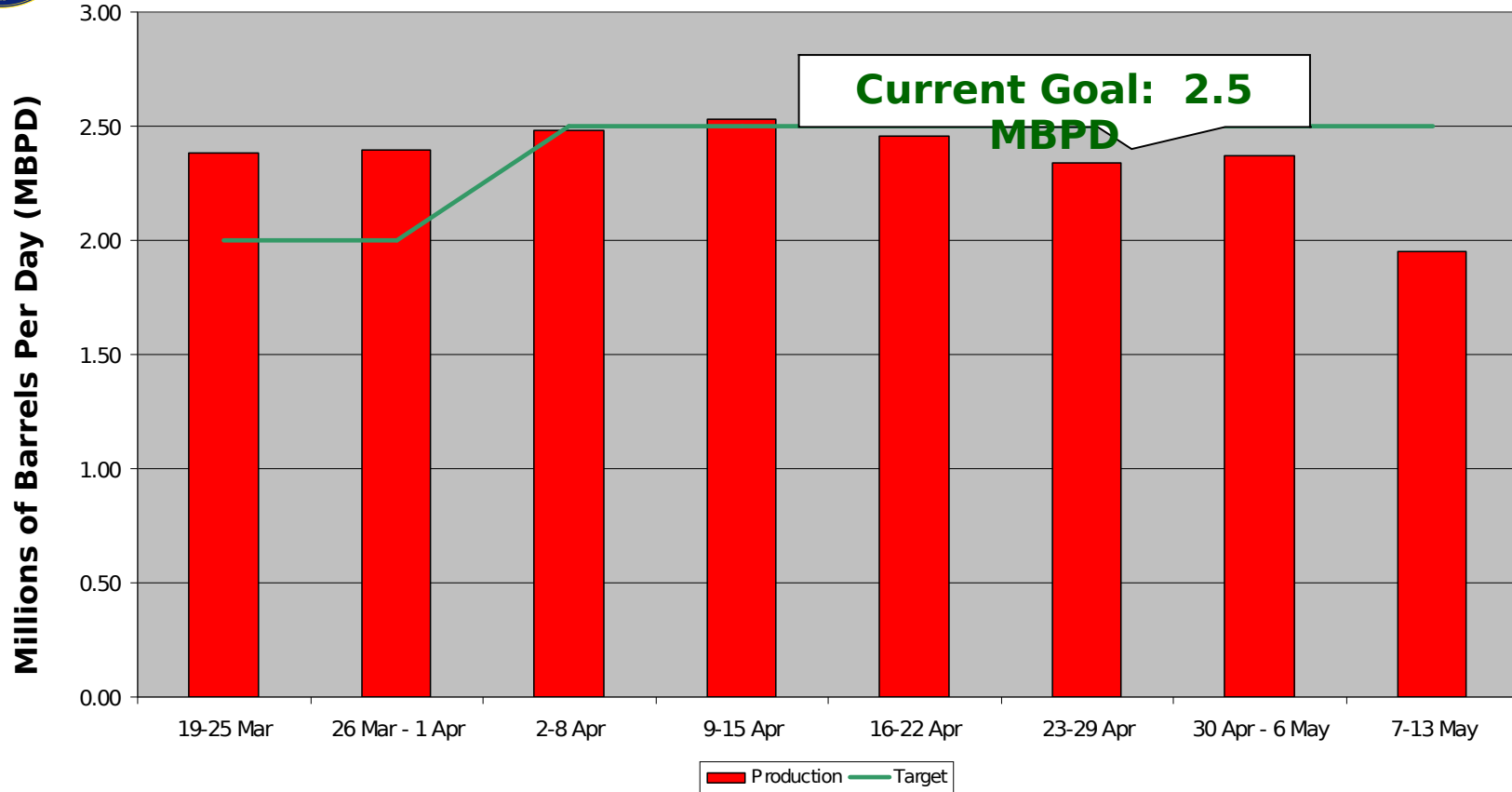
**AVERAGE HOURS OF
ELECTRICITY AVAILABLE
TO GOVERNORATE PER
DAY OVER A 7 DAY
PERIOD**

≤ 8 Hrs = Red
9 to 15 Hrs = Amber
≥ 16 Hrs = Green



| | |
|--------------|--------|
| Baghdad | -2.3% |
| Duhok | 0.9% |
| Naynawa | -5.4% |
| Tamim | -2.8% |
| Salah Ad Din | -1.3% |
| Anbar | -3.6% |
| Dyala | -9.7% |
| Babil | -5.0% |
| Karbala | -13.4% |
| Najaf | -11.8% |
| Qadisiyah | -4.1% |
| Wasit | 3.8% |
| Muthanna | -6.0% |
| Dhi Qar | 19.0% |
| Misan | 9.0% |
| Basrah | 17.9% |

Crude Oil Production



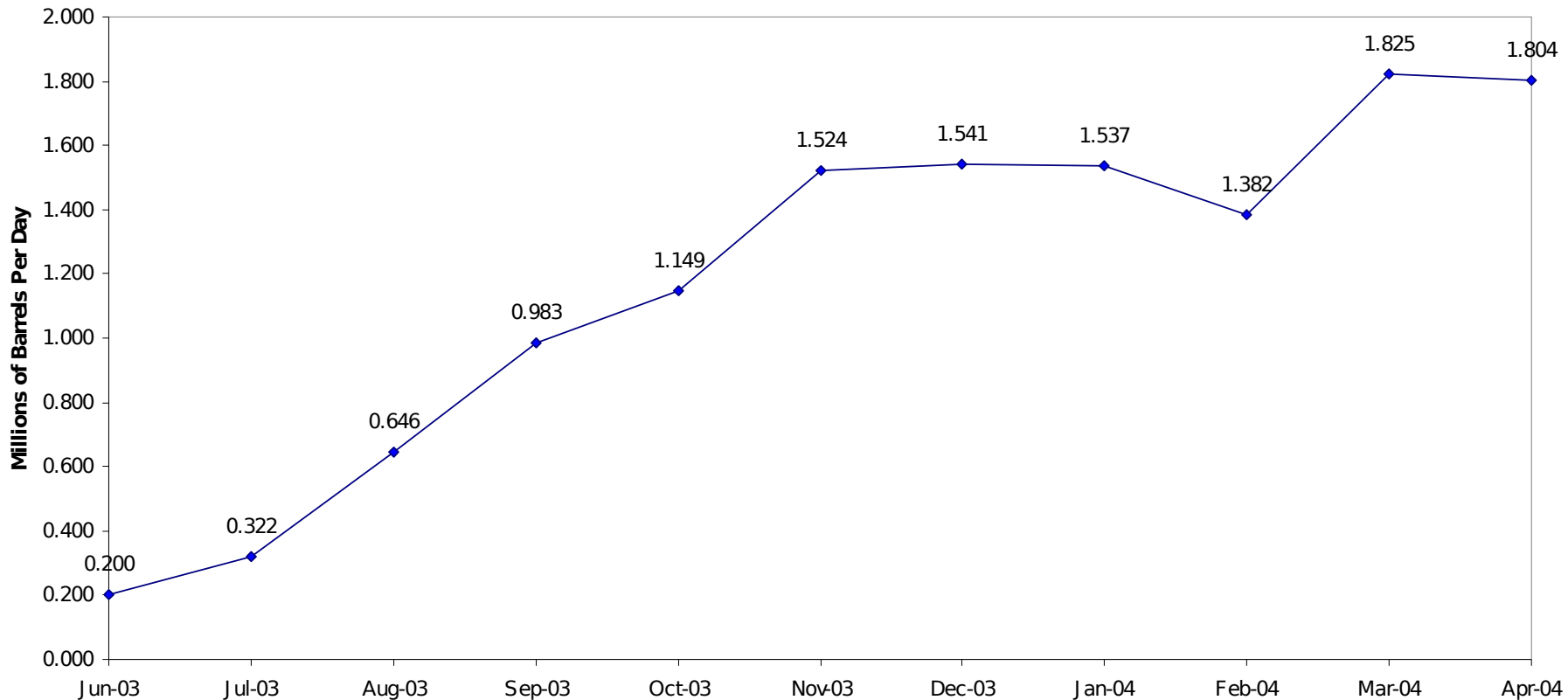
Weekly Average of 1.950 MBPD Is Below Target of 2.5 MBPD

- Long Term Target (Dec 04): 2.8 - 3.0 MBPD (Pre-War Capacity)
- Pre-War Peak: 2.5 MBPD in Mar 03



Crude Oil Exports

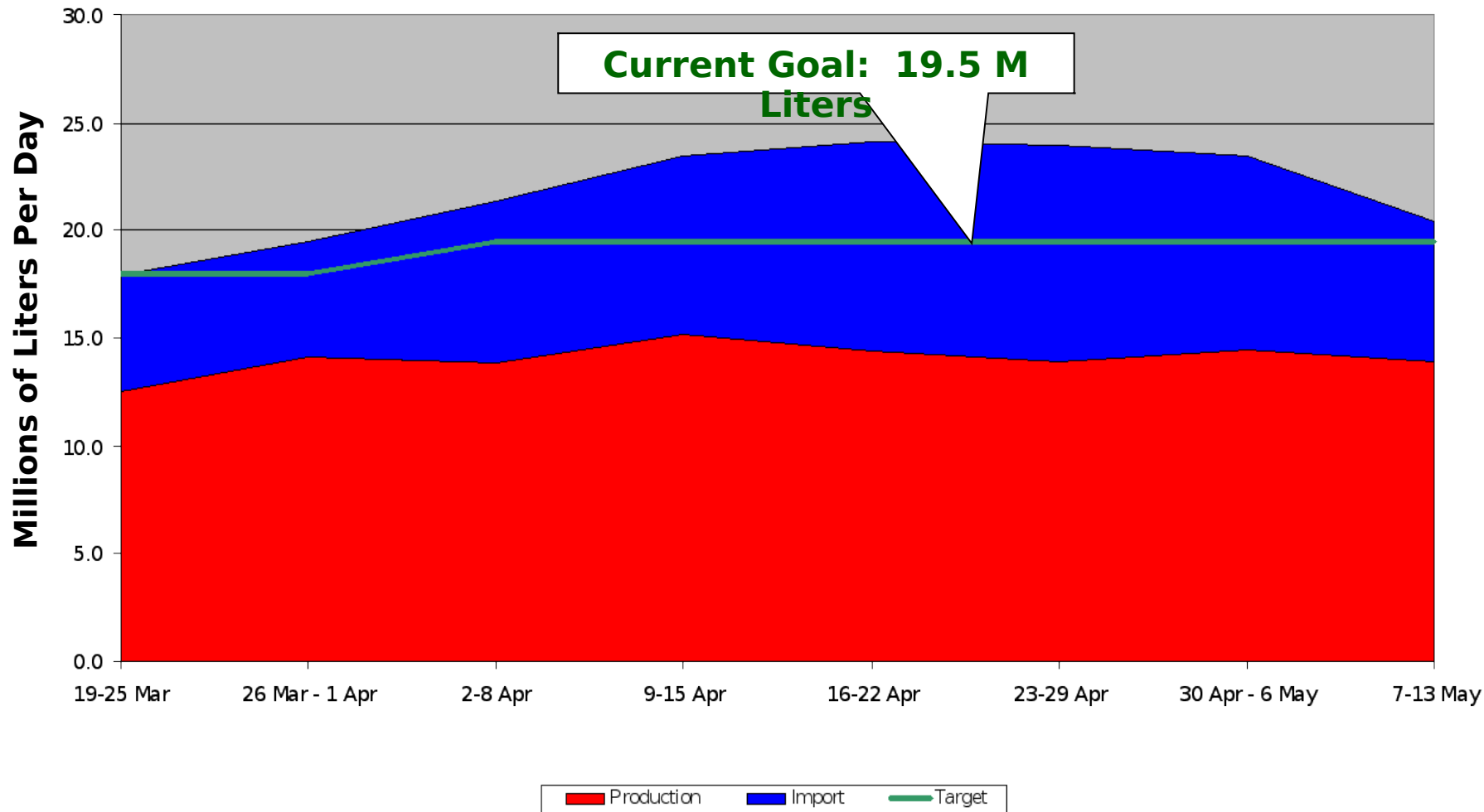
Monthly Average of Crude Oil Exports



- **Current Monthly Average: 0.867 MBPD**



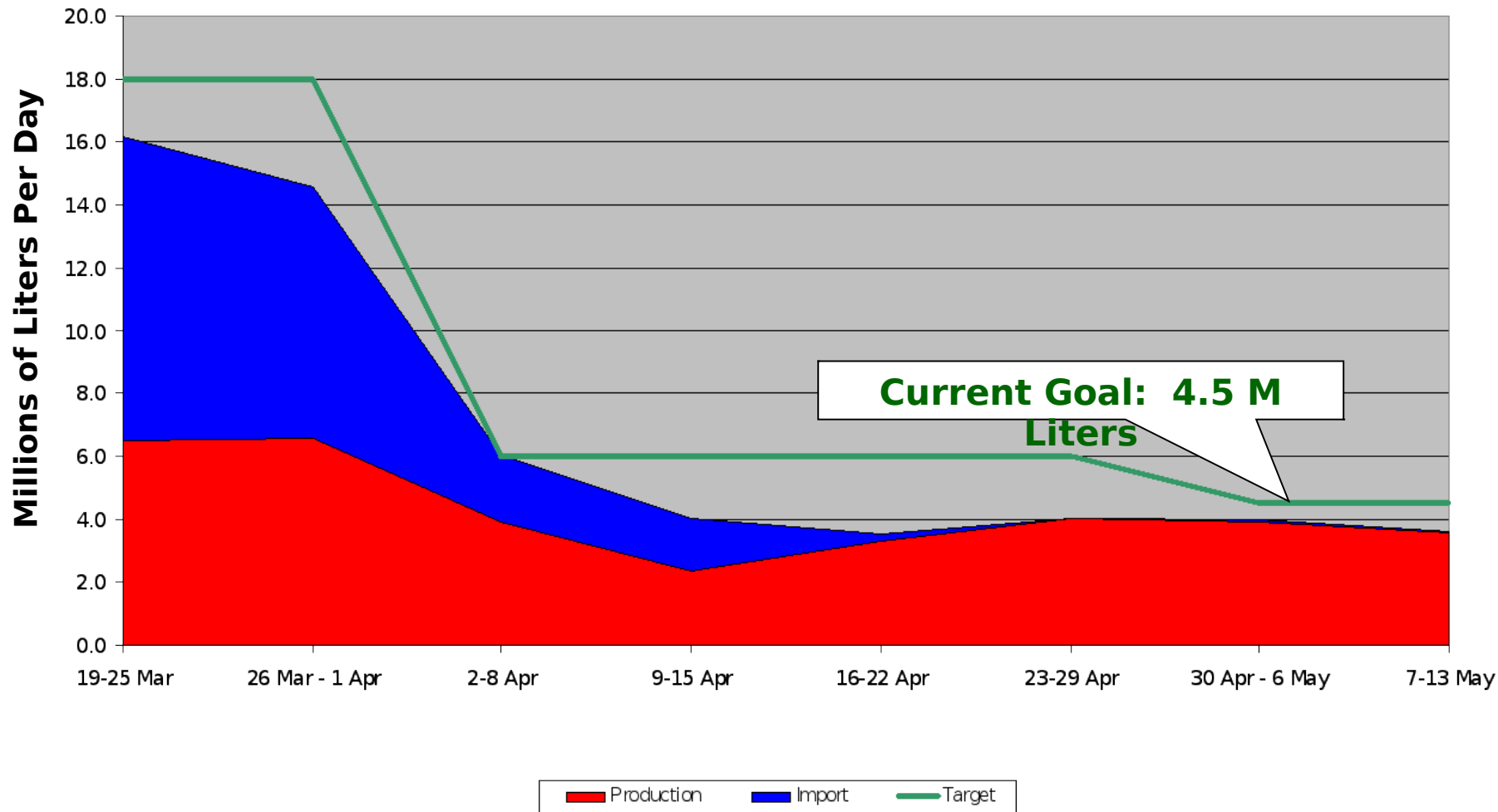
Diesel Supply



- This week's average production and imports are 105% of goal



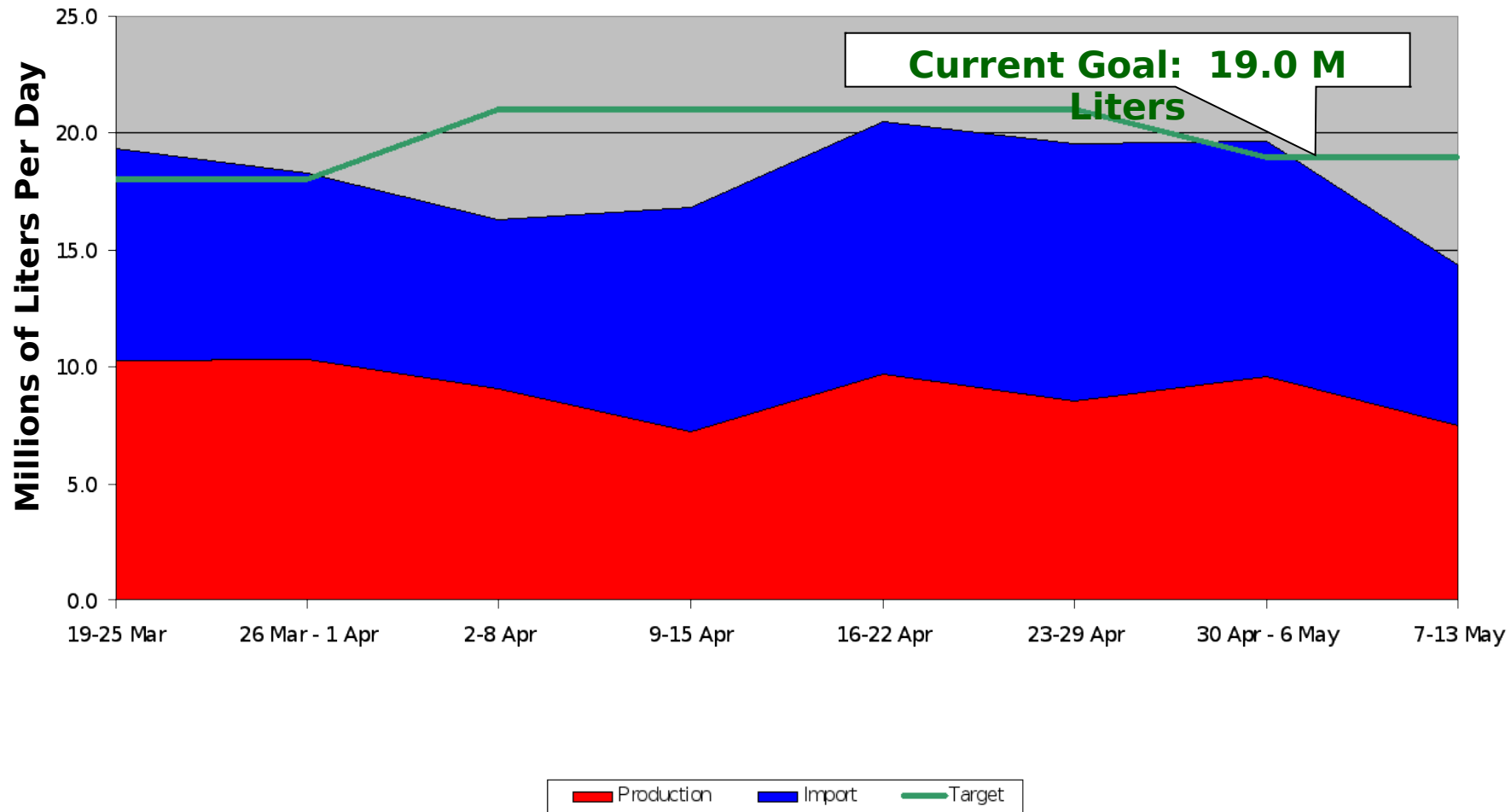
Kerosene Supply



- This week's average production and imports are 80% of goal



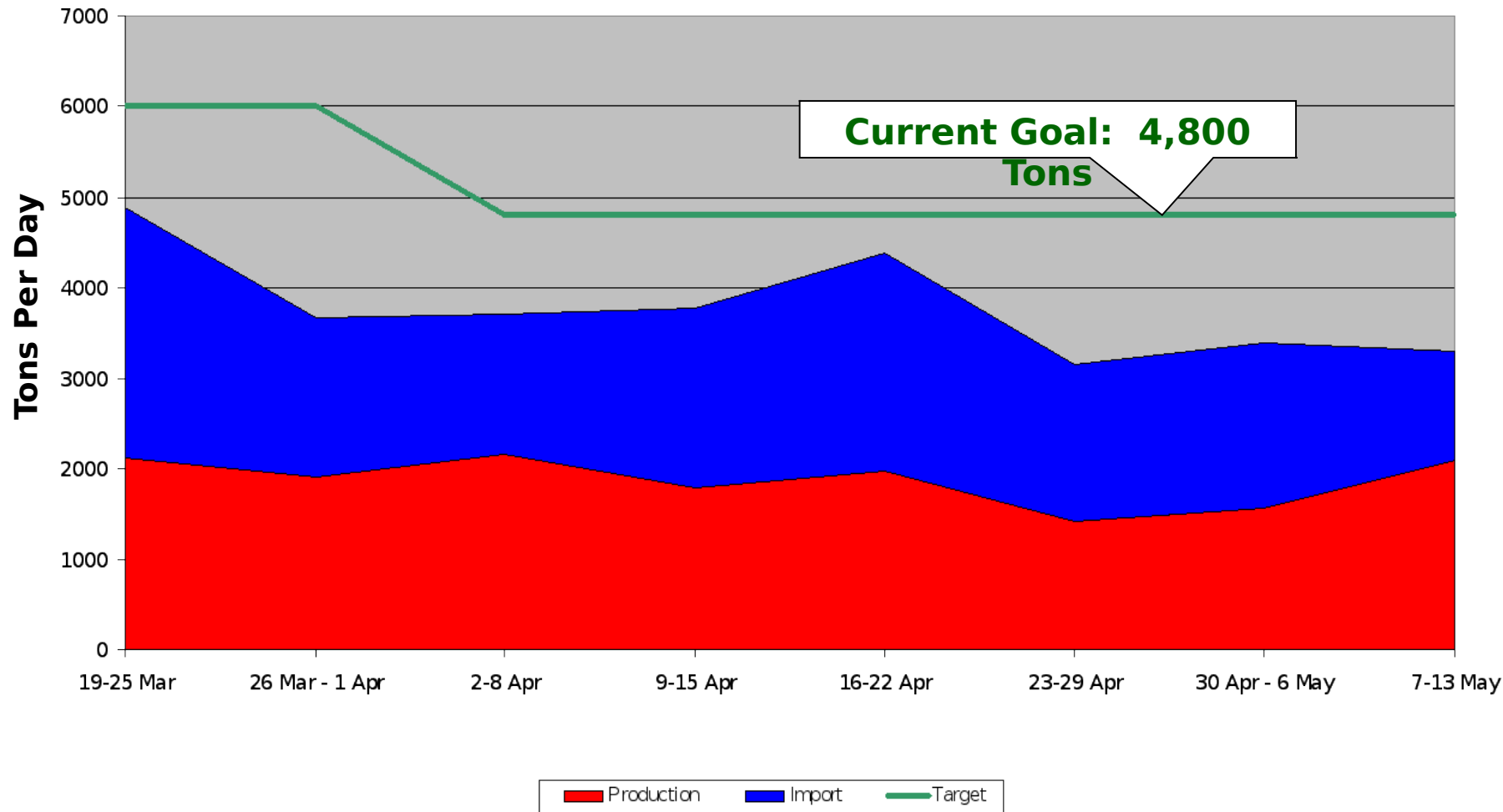
Gasoline / Benzene Supply



• This week's average production and imports are 75% of goal



Liquefied Petroleum Gas Supply



- This week's average production and imports are 69% of goal



Iraqi Security Forces Personnel & Training Summary

| | Required | On Duty | | | Total On Duty | In Academy Training | In TIP Training | Total On Duty & In Training |
|------------------------------------|----------|-----------|-------------|-----------------|---------------|---------------------|-----------------|-----------------------------|
| | | Untrained | TIP Trained | Academy Trained | | | | |
| Iraqi Police Service (IPS) 1 | 89,369 | 65,331 | 14,439 | 3,426 | 83,196 | 2,016 | 2,127 | 87,339 |
| Dept of Border Enforcement (DBE) 2 | 20,420 | 6,920 | 9,177 | 0 | 16,097 | 255 | 0 | 16,352 |
| | Required | On Duty | | | In-Training | | TOTAL | |
| Iraqi Armed Forces (IAF) 3 | 35,000 | 2,486 | | | 1,601 | | 4,087 | |
| Iraqi Civil Defense Corps (ICDC) 4 | 41,526 | 28,905 | | | 150 | | 29,055 | |



Iraqi Security Forces Personnel & Training Summary (cont)

| | | Required | On Duty | In-Training | TOTAL |
|---|---|---|---------|-------------|--------------------------------|
| Facilities Protection Service (Ministries & MSCs) (FPS) 5 | | 75,000 | 73,992 | 46 | 74,038 |
| | | Total Required: | | | Total on Duty and in Training: |
| | | 261,315 | | | 210,871 |
| 1 | New requirement from CJTF-7 22 Apr based on better census data. FPS implementing new reporting procedures; numbers not reliable this week only | | | | |
| 2 | OSC SITREP 29 Apr. DBE includes Border Police, Customs, Immigration, Nationality. There is no TIP training for DBE but Border Police received basic sentry training | | | | |
| 3 | CJTF-7 C3 Effects NISF Roll-up | | | | |
| 4 | OSC SITREP 29 Apr. ICDC includes the 36 th ICDC BN | | | | |
| 5 | FPS requirements changed by Ministries. Numbers are estimated. Source OSC SITREP | | | | |
| | | Number required and total on duty reflects best available data in the wake of recent combat operations. Re-assessments and updates are continuing | | | |



Security - Build Justice

- The number of detainees at Abu Ghraib prison will be reduced from the current 3,800 to no more than 2,000
- Legal advisors are working with detention facilities to refer Iraqi detainees to appropriate Iraqi courts
- The Iraqi Corrections Service (ICS) is preparing to assume responsibility for local detention centers from the Iraqi police
 - Will allow ICS to improve detention centers to international standards
 - Prison experts are working with the ICS to improve penal operations
- Twenty-eight Iraqi judges returned after attending a two-day rule-of-law conference in The Hague
 - First time in over 30 years they have met with international counterparts (included Supreme Court Justices O'Connor and Kennedy)

CPA Objective: Build Justice

Establish Independent Judiciary; Reform Judicial System; Improve the Penal System; Establish Commission on Public Integrity; Solidify Real Property Rights



Security - Developments

- **Coalition and Iraqi forces have assisted families returning to Fallujah**
 - **As the security situation has improved, families have been allowed to return at a rate of approximately 200 per day**
- **Iraqi officials, CPA, and Coalition Forces continue planning to disband militias and integrate members into Iraqi society and security forces**
- **For the Week of 01-07 May, the Iraqi Army returned nearly 350 soldiers to duty following the desertion and hostilities of the past month**
 - **474 personnel remain absent without leave**
 - **300 new recruits have commenced training**
- **Three new Iraqi Army battalions have been staffed by instructors and are receiving new recruits**
 - **One battalion was due to begin recruit training during week of 08-14 May**

CPA Objectives: Security

Achieve a Secure and Stable Environment; Develop Institutions that are Effective in Protecting Society and Constitutional Order ; Develop Iraqi Defense Capabilities and Oversight Mechanism

Security - Developments (Cont.)

- The Iraqi Civil Defense Corps (ICDC) expanded its authorized strength by 1,500 in response to hostilities in western and southern Iraq
- During week of 01-07 May, the number of Iraqi Police Service (IPS) officers increased by more than 1,500 :
 - 171 operatives from Najaf and Karbala returned to duty after completing reconstitution training
- Chart shows significant insurgent activities in Iraq, includes attacks using:
 - Improvised explosive devices (IED), vehicle-borne IEDs, mortars, rocket propelled grenades (RPG), and improvised rockets

